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## EMPLOYEE RELOCATION



NOTE: If any of the information described in this handbook should appear to conflict with the relocation expenses policy as outlined in The Management Board of Cabinet Directive 4-2, the directives prevail.

The authority for interpreting the Home-Owner Employee Relocation Plan is the handbook published by The Ministry of Government Services.

This edition of the Government of Ontario Employee Relocation Booklet supersedes the previous edition, dated June 1985.



The Management Board of Cabinet

AUGUST 1989

# ELIGIBILITY FOR REIMBURSEMENT FOR RELOCATION EXPENSES

# TEMPORARY RELOCATIONS – ASSISTANCE PROVIDED

PERMANENT RELOCATIONS – ASSISTANCE PROVIDED

#### CONTENTS

- 5 Introduction
- 6 Am I eligible to be reimbursed for relocation expenses?
  - 1. (a) Ministry-requested relocations
  - 1. (b) Ministry-requested relocations—Retired employees or dependents of deceased employees
  - 2. Employee-requested relocations
  - 3. New appointees, secondees, and public servants
  - 4. Surplus or released employees

What minimum relocation distance qualifies me for reimbursement?

- $8 \quad \text{What expenses are reimbursable if I am relocated temporarily?}$
- 9 HOUSING SEARCH
- 9 Will I be reimbursed for a trip or trips to find a new residence?
- 10 RESIDENCE CHANGE
  What expenses for changing my residence are reimbursable?
- 10 1. Changing your rental accommodation
- 10 2. Changing your mobile home
- 3. Selling your residenceSpecial Circumstances

What options are available for selling my residence?

a. Selling your residence yourself

b. The Ontario Government Home-Owner Employee Relocation Plan

How does the Plan work?

- Guaranteed Property Price
- Sale Price
- Low Offers
- Proceeds of the Sale
- Cash advances available through the Plan
- 15 4. Purchasing a residence
  - Non-recoverable duplicate expenses
  - Bridge financing
- 16 INCIDENTAL ALLOWANCE
  What incidental expenses related to purchasing a residence are reimbursable?
- 18 INTERIM ACCOMMODATION
  What expenses for interim accommodation are reimbursable?
- MOVING EXPENSES
  What moving expenses are reimbursable?
  Excluded items
  How do I select a mover?
  How do I claim if my goods are damaged?
- 21 TRANSPORTATION TO THE NEW LOCATION
  What transportation expenses are reimbursable?
- How do I submit a claim for reimbursement for relocation expenses?
  - Approval of claims
- 23 How can I obtain a cash advance?

SUBMITTING A CLAIM

**CASH ADVANCES** 

#### NTRODUCTION

This booklet is a summary of the principal features of the Government's employee relocation expense policy. It explains generally whether you are eligible for reimbursement for relocation expenses, and the extent of the assistance provided.

The policy is intended to make your move as efficient and trouble-free as possible by reimbursing you for reasonable allowable costs. It is also designed to ensure that all eligible employees are given assistance equitably.

From time to time, changes are likely to be made to the Management Board of Cabinet Directives which establish the administrative policies upon which this booklet is based. You should consult current versions of Directives 4.1 (Travel, Meal, Hospitality and Membership-Fee Expenses) and 4.2 (Relocation Expenses) to determine which are the most recent policies concerning employee relocation.

Please note that you will not necessarily be eligible for all of the assistance outlined in this booklet. Reimbursement for expenses may be mandatory or at the discretion of your ministry, depending on your particular situation. Since discretionary assistance varies from ministry to ministry, you should refer to your own ministry's policy and guidelines.

The Ministry at your new location is responsible for clarification of how the policy applies to your transfer and for approval of expenditures and charges.

# MI ELIGIBLE TO BE REIMBURSED FOR RELOCATION EXPENSES?

## ELIGIBILITY FOR REIMBURSEMENT FOR RELOCATION EXPENSES

Your eligibility depends on which of the following categories applies:

1. (A) MINISTRY-REQUESTED RELOCATIONS If you are a full-time, classified employee who has been transferred temporarily or permanently at the request of your ministry, it is mandatory that you be reimbursed for relocation expenses within the terms of the *Relocation Expenses Directive*. For the purposes of the *Directive*, a competition is considered to be a ministry-requested relocation.

1. (B) MINISTRYREQUESTED
RELOCATIONS RETIRED
EMPLOYEES OR
DEPENDENTS OF
DECEASED
EMPLOYEES

When a full-time, classified employee has been relocated at the request of a ministry during the two years prior to retirement, the ministry, upon the retirement of the employee, must reimburse him or her for the expenses of moving household effects to any previous location of government employment in Ontario, or to any other location in Ontario of equal or lesser distance. In the event of the employee's death, the same provisions may apply to the employee's dependents.

2. EMPLOYEE-REQUESTED RELOCATIONS If you are a full-time, classified employee who has requested a permanent relocation, you will not normally be eligible for reimbursement for your relocation expenses. If offered, assistance will only be provided for moving your household effects and for transportation to the new location.

Any assistance you receive will be negotiated with you by your ministry within the limits of the *Relocation Expenses Directive*, and you should be informed about the extent of the assistance prior to your transfer.

3. NEW
APPOINTEES,
SECONDEES, AND
PUBLIC SERVANTS

If you are an appointee, a secondee from outside the civil service, or an unclassified public servant, you may be reimbursed for relocation expenses at the discretion of the Deputy Head, who will decide on a case-by-case basis (that is to say, no precedent is set by assisting a particular employee).

Any assistance you might receive will be negotiated with you within the limits of the *Relocation Expenses*Directive at the time of recruitment.

4. SURPLUS OR RELEASED EMPLOYEES

If you are currently a full-time, classified surplus employee, or a former surplus employee who has been released within the last year, and you have been appointed or assigned to a new position in the civil service, you are eligible for reimbursement for relocation expenses in accordance with the *Relocation Expenses*Directive until one year after your release date.

If you are a surplus or released employee who has obtained employment outside the civil service, you may be granted relocation assistance at the discretion of your Deputy Head.

Funding of relocation expenses for surplus employees is the responsibility of your releasing ministry.

HAT
MINIMUM
RELOCATION
DISTANCE
QUALIFIES ME FOR
REIMBURSEMENT?

HAT
EXPENSES ARE
REIMBURSABLE IF I
AM RELOCATED
TEMPORARILY?

Your new residence must be a minimum of 40 kilometres closer to the new workplace than was your former residence. This is calculated as follows:

Old residence to new work location = A

New residence to new work location = B

If A minus B is greater than 40 km, then you are eligible for reimbursement for your relocation expenses.

### TEMPORARY RELOCATIONS – ASSISTANCE PROVIDED

If you are a full-time, classified employee requested by your ministry to leave your regular worksite for a limited period of time to work in another location, the ministry may reimburse you for the cost of commuting or temporary living expenses in lieu of relocation expenses, where practical. This arrangement must be by mutual agreement. The ministry will consider all aspects of your situation to determine whether it is more practical, economical and less disruptive to your family to assist you in maintaining a temporary second residence, or to authorize a relocation.

When a relocation is not authorized because the period of service or training is too short, or relocation of your family is not practical, you and the ministry may agree that you maintain a temporary second residence. In this situation you may be reimbursed for living expenses including accommodation, meals where appropriate, utility costs, laundry costs, telephone calls home and travel expenses for trips home while you are separated from your family.

This arrangement may also be extended in lieu of relocation expenses to employees who are transferred within two years prior to retirement, provided that the total cost of maintaining a temporary second residence does not exceed the probable cost of a full relocation. (See Ontario Manual of Administration, Volume II, Relocation Expenses 60-4-8, section 13).

## PERMANENT RELOCATIONS – ASSISTANCE PROVIDED

OUSING
SEARCH
WILLIBE
REIMBURSED FOR A
TRIP OR TRIPS TO
FIND A NEW
RESIDENCE?

Your ministry should authorize time off with pay for you, and must pay travel and living expenses for you and your family, for the equivalent of one trip, not exceeding seven days, to locate new accommodation. More than one trip may be made if that is considered to be more economical than one seven-day trip. Your ministry will pay the cost of dependent care associated with the move.

You will be reimbursed for:

- transportation costs to and from the new location, provided the most practical and economical means have been employed, or a compensation rate if you drive your own car;
- reasonable overnight accommodation and meal costs.

NOTE: To improve the chances of finding suitable accommodation quickly at the new location, you should seek assistance from a real estate firm of your choice prior to your trip.

RESIDENCE
CHANGE
WHAT
EXPENSES FOR
CHANGING MY
RESIDENCE ARE
REIMBURSABLE?
1. CHANGING
YOUR RENTAL
ACCOMMODATION

2. CHANGING YOUR

MOBILE HOME

You must be reimbursed for expenses incurred as a result of changing your rental accommodation, your mobile home, for selling or buying a principal residence and for moving expenses.

If you live in rental accommodation, you will be reimbursed for any penalties for discharging your current lease prior to its expiry date and/or for any extra rent that must be paid in order to hold leased accommodation at the new location. If payment of more than one month's rent is required (either old or new, whichever is greater), you must obtain prior approval.

If your principal residence is a mobile home, you will be reimbursed for the cost of moving it to a new location (where, in the opinion of the Deputy Minister, it can be moved economically), as well as for the charge for discharging your lease of the mobile home site and/or payment of extra rent to hold a lot at the new location, provided this does not exceed one month's rent. If payment of more than one month's rent is required (either old or new, whichever is greater), you must obtain prior approval.

If you own the lot on which your mobile home is located, itemized legal or notarial fees for its sale and/or the purchase of a new lot are reimbursable. (Further details are given in the sections "Selling Your Residence" and "Purchasing a Residence.")

Similarly, if your mobile home is permanently fixed to land owned by you, payment of legal fees will be reimbursed to you for the sale of the home and the purchase of another one at the new location. Such mobile home properties may also qualify for assistance under the Ontario Government's Home-Owner Employee Relocation Plan.

3. SELLING YOUR RESIDENCE

The following expenses for selling your principal residence are reimbursable, up to the levels indicated:

- itemized legal or notarial fees incurred in order to establish a clear—marketable—title to the property being sold. *NOTE: the cost of a property survey will not be reimbursed.*
- the real estate agent's commission, not to exceed the local rates for the Multiple Listing Service as established by the local Real Estate Board;
- first-mortgage discharge fees not exceeding three months' mortgage interest;
- expenses related to the Ontario Government's Home-Owner Employee Relocation Plan, should you decide to enter it.

NOTE: You should have your lawyer provide an itemized bill to ensure that your reimbursement is not delayed.

SPECIAL CIRCUMSTANCES

If you own a multiple-unit dwelling, land in excess of the average lot size, or a residence of exceptional value, the ministry may compensate you based on the value of a single-family dwelling in the vicinity on a lot of not more than one acre.

WHAT OPTIONS
ARE AVAILABLE
FOR SELLING MY
RESIDENCE?

You may sell your residence privately or through a real estate broker, and you will be eligible for reimbursement for expenses as outlined above.

A. SELLING YOUR
RESIDENCE
YOURSELF

The Home-Owner Employee Relocation Plan is a service provided by the Ontario government to its employees. Participation is voluntary, and if you qualify for assistance, your residence will be sold within ninety (90) days either to a third party at a price which equals or exceeds a "Guaranteed Property Price," or to the Plan's real estate company at the Guaranteed Property Price.

B. THE ONTARIO
GOVERNMENT
HOME-OWNER
EMPLOYEE
RELOCATION PLAN

If you participate in the Plan, you are eligible for the same level of assistance with expenses (legal or notarial fees, first mortgage discharge fees) as employees who sell their residences independently of the Plan. The Plan pays real estate agents' commissions.

Participation in the Plan requires authorization from the Plan Co-ordinator in your Ministry, who should be notified as soon as possible, <u>and certainly no later than thirty days after your transfer date</u>. An extension to the thirty-day limit requires the prior approval of the Deputy Head.

NOTE: You must not have entered into a listing agreement or have an offer of purchase and sale with a licensed real estate agent if you are considering participation in the Plan. Such an agreement may obligate you to pay commission to the real estate agent and would prohibit you from using the Plan, unless a waiver could be obtained.

HOW DOES THE

GUARANTEED
PROPERTY PRICE

In order to develop a Guaranteed Property Price for the sale of your residence, you and the Plan's real estate company each select an appraiser to determine its market value. A third appraisal may be obtained if there is a variance of greater than 5% between the first two appraisals.

If the third appraisal is within 5% of both previous appraisals, the average of the three will become the guaranteed property price, otherwise, the Plan administrator will establish the Guaranteed Property Price.

The Plan's company will inform you of the value of the appraisals and the Guaranteed Property Price, and you must either accept the offer within five working days, or withdraw from the Plan. You will be requested either to indicate your acceptance of the Plan by signing a Guaran-

teed Property Price Agreement and a listing agreement which outlines the conditions of listing and sale, or to sign a Withdrawal Notice.

Once you have withdrawn from the Plan, you will not be allowed to re-apply to the Plan for assistance with the same transfer.

SALE PRICE

The Plan's real estate company will attempt to sell your residence at the following prices:

- for the first 30 days, at the Guaranteed Property Price, plus up to 6%;
- for a further 30 days, if not yet sold, at the Guaranteed Property Price, plus up to 4%;
- if unsold on the 60th day, at the Guaranteed Property Price, plus 2%

If your property is not sold during the 90-day listing period, the Plan's company will purchase it from you at the Guaranteed Property Price.

LOW OFFERS

The Plan Administrator can require you to accept an offer below or equal to the Guaranteed Property Price if it is considered reasonable given market conditions. The Plan will reimburse you for the difference between the selling price and the Guaranteed Property Price.

PROCEEDS OF THE SALE

You are entitled to the NET PROCEEDS from the sale, meaning the funds remaining from the sale price after the deduction of cash advances, mortgages, liens, taxes, and any additional closing adjustments.

# CASH ADVANCES AVAILABLE THROUGH THE PLAN

4. PURCHASING A RESIDENCE

Once you have signed a Guaranteed Property Price Agreement, you may apply to the Plan's real estate company for a cash advance to assist you with funding for a <u>deposit on an offer to purchase</u> a house at your new location. The Plan's company will advance funds in keeping with the plan provisions without interest, provided that your equity in the property to be sold is not less than the advance.

NOTE: More detailed information about the Ontario Government Home-Owner Employee Relocation Plan is available from the Plan Co-ordinator in your ministry.

A number of the costs related to the purchase of a new residence will be reimbursed to you provided that the replacement residence will be your principal residence:

- itemized legal or notarial fees or expenses necessary to obtain a clear – marketable – title to the property;
- land transfer tax;
- sheriff's fee;
- transfer of a deed;
- survey fee;
- expenses you incurred to obtain a first mortgage, including appraisal costs.

NOTE: You should have your lawyer provide an itemized bill to ensure that your reimbursement is not delayed.

NON-RECOVERABLE
DUPLICATE
EXPENSES

If you are required to move to your new location before the sale of your residence at the previous location, any non-recoverable duplicate expenses related to the old property are reimbursed to you for a period not exceeding sixty days. These expenses include:

- first mortgage interest;
- property taxes;
- property insurance;
- utilities (excluding telephone charges).

BRIDGE FINANCING If you must take title to a residence at the new location before the sale of the old residence and you require a short-term loan to finance the purchase, you are entitled to be reimbursed for the arrangement fee and a maximum of three months' interest not to exceed the prevailing bank prime interest rate plus one percent.

NCIDENTAL ALLOWANCE

WHAT INCIDENTAL EXPENSES RELATED TO PURCHASING A RESIDENCE ARE REIMBURSABLE? Whether you rent or purchase a new residence, you will receive an allowance equal to one-half month's salary based on either your old or new salary, whichever is greater, in order to pay for any incidental expenses which are not specifically provided for elsewhere in the Relocation Expenses Directive. *This is a taxable benefit*, but if you provide a written statement confirming that you incurred incidental expenses in excess of \$500.00, you need not

report that portion of your incidental allowance as taxable income. You should, however, keep receipts in case they are required by Revenue Canada.

The incidental allowance is intended to cover expenses such as:

- television/radio antenna installation or cable TV;
- telephone installation, including extension telephones;
- alterations to, or replacement of, floor coverings, drapes, curtains;
- payment of local licences, such as automobile and driver's licences, and a safety certificate for an automobile when one is required by provincial regulations in order to obtain licence plates;
- purchase of school books at the new location, if such books are required for the normal course of study (only applicable if relocation takes place during the school year);
- long distance phone calls related to the purchase or sale of a residence;
- floor finishing;
- house cleaning;
- interior painting;
- additional insurance premiums related to relocation;
- wiring, plumbing and venting for appliances;
- loss incurred in disposing of frozen foods, perishables, and other items excluded from shipment;
- preparing sites, installing septic tanks, utility hook-ups,
   etc., for mobile homes.

#### NTERIM ACCOMMODATION

WHAT EXPENSES
FOR INTERIM
ACCOMMODATION
ARE REIMBURSABLE?

If you are required to move out of your present residence before the occupancy or closing date of your new residence, you are entitled to be reimbursed for interim living expenses as follows:

The cost of temporary accommodation and meals for you and your family for a period not exceeding thirty days is reimbursable. Longer periods require the prior written consent of the Deputy Head. In cases where longer periods are necessary, you are expected to arrange the most economical and practical form of accommodation available.

If you are required to reside in temporary accommodation and are separated from your family, you will be reimbursed for travel expenses for trips home. These expenses include your meals and the most economical and practical means of transportation, or, if you drive, the Government's compensation rate.

These trips should be scheduled to coincide with business trips wherever possible.

Your spouse may take any or all of the trips to which you are entitled, but no additional living or other expenses are covered.



**EXCLUDED ITEMS** 

The Ministry will pay for the cost of moving personal and household effects from your principal residence, and for obtaining insurance against damage or loss. Expenses for loading, unloading, cartage or freight charges for effects from other than the principal residence are not normally reimbursable.

You will be reimbursed for the following expenses:

- packing, moving, unpacking and insurance coverage against loss or damage;
- storage charges for periods up to thirty days, including fire and theft insurance. An extension to the thirty day period may be authorized by management if you are living in temporary accommodation;
- the cost of disconnecting, shipping and connecting appliances for normal installations that do not require alterations.

The following are examples of items which may be excluded by the Ministry as not being household effects:

- heavy or massive hobby or recreation items (e.g. airplane, solarium, etc.);
- boats, motors, trailers, large rider mowers, farm or construction equipment, etc. Smaller units that can bae moved conveniently may be accepted (e.g. small outboard motor or trailbike);
- building materials, patio stones, cement blocks, outdoor barbecues (brick, cement or stone);
- furniture, supplies and equipment from a recreational property;

- items used in association with a second source of family income;
- foodstuffs, frozen foods and supplies subject to spoilage. Costs incurred to move frozen goods by a food-plan firm may be reimbursed;
- explosives, flammables and material that may cause damage if shipped (e.g. liquor, paint, solvents, bleaches, aerosol cans, ammunition, etc.);
- non-domestic animals, stocked aquaria;
- items requiring special preparation for shipment or transport equipment;

You should arrange for insured shipment of money, securities, jewellery and expensive furs at your own expense or include them with other items taken by you personally on the move or shipped at your own risk.

Antiques and collector's items such as rare stamps, books, coins and works of art may be accepted for shipment at your own risk.

Either independently, or with the aid of ministry personnel, you select a mover on the basis of services offered, reputation, previous experience as to quality of service, and price. Estimates are obtained by you. Reasons supporting your choice of mover must be documented and will be retained on file for audit purposes.

A ministry purchase order is normally issued to the moving company setting out all instructions regarding pick-up, delivery, temporary storage and payment of invoices. Acknowledgements and invoices are usually sent directly to the ministry for approval and payment.

OW DO I SELECT

OW DO I CLAIM
IF MY GOODS ARE
DAMAGED?

You are responsible for determining any damage incurred by items during the move and for presenting a claim for damages to the moving company as soon as possible after the move. Further assistance may be obtained by contacting the head office of the mover and the person in your ministry responsible for advising you about your move.

TRANSPORTATION
TO THE NEW
LOCATION
WHAT
TRANSPORTATION
EXPENSES ARE

**REIMBURSABLE?** 

En route to your new location, you are eligible for reimbursement for travel costs for yourself and your family, including:

- the cost of the most economical and practical means of transportation available to you and your dependents;
- if you drive your car, the government's compensation rates for use of a personal car on government business, in accordance with the *Travel*, *Meals*, *Hospitality and Membership-Fee Expenses Directive*;
- freight charges for shipping your car by the most economical means, if you cannot reasonably be expected to drive it;
- the cost of reasonable overnight accommodation and meals incurred en route by you and your family;
- if you have a second car, the cost of transporting one person to the new location by the most economical and practical means.

OW DO I
SUBMIT A CLAIM FOR
REIMBURSEMENT
FOR RELOCATION
EXPENSES?

APPROVAL OF CLAIMS

#### SUBMITTING A CLAIM

You must submit a detailed and itemized account in the form and within the time frame required by the Deputy Head. Every claim should conform to the following requirements:

- the account should be submitted within thirty days after the date of your arrival at the new place of employment, or on the date your dependents arrive at the new location, whichever is later;
- the claim should be supported by receipts for each item, as required by your ministry;
- any other information required by the Deputy Head to support the claim must be provided.

You are required to sign the claim to certify that all the amounts claimed have been paid.

Reimbursement for incidental travel expenses and meals must not exceed the limits specified in the *Travel*, *Meal*, *Hospitality and Membership Fee Expenses Directive*.

When relocation expenses are claimed for a dependent other than your spouse or those unmarried children who are dependent or in full-time attendance at school, you must certify that the dependent lives with you and is a person for whom an exemption may be claimed under the Income Tax Act, or who would otherwise qualify if not excluded because of the receipt of a pension. Only after this certification is received can you be reimbursed.

#### OW CAN I OBTAIN A CASH ADVANCE?

#### **CASH ADVANCES**

Cash advances may be obtained to assist in meeting personal expenses incurred in relocation, such as trips to locate accommodation, or interim accommodation costs.

An advance in an amount equal to the calculated real estate and legal fees may also be requested provided a written offer of purchase has been received and subject to the residence being listed through a licensed real estate firm.

A cash advance is available to assist you with a deposit on a new residence if you are participating in the Ontario government's Home-Owner Employee Relocation Plan.